INFORMATION LETTER

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Brannan Recommends Review Of Transportation Regulation

A review of the present regulation of transportation was the only recommendation made by Secretary of Agriculture Charles F. Brannan when he testified on July 18 before a special subcommittee of the House Committee of the Judiciary to Study Monopoly Power.

The Secretary did not attempt to point out any respect in which he considers the transportation industries monopolistic, but he declared that "there is danger that the transportation system may become inflexible to the point of being monopolistic."

However, in presenting "a few additional facts to indicate areas in which we at least need more information and study of the kind this Committee can give," Secretary Brannan cited certain conditions in the food industry, as follows:

"(1) In the food manufacturing industry, 133 corporations in 1939 had 41 percent of all sales, while 29 percent of the largest corporations had 31 percent of the total. In 1947, the percentages were the same, although the volume of sales was, of course, much higher.

"As far as I have been able to learn, no recent detailed figures along this line are available anywhere. I do have some figures that were tabulated quite a while before the war.

(Please turn to page 263)

Transfer of FDA Activities Opposed by Ewing, FSA Head

The transfer of food activities of the Food and Drug Administration to the U. S. Department of Agriculture, as proposed by the Hoover Commission, is opposed by Oscar R. Ewing, Federal Security Administrator.

A letter expressing Mr. Ewing's views on the Hoover Commission recommendations which affect the Federal Security Agency was released by Senator McClellan (Ark.) on July 18. Secretary Brannan had written that the FDA transfer still is under study by appropriate Federal agencies (see INFORMATION LETTER of July 16, page 255).

(Please turn to page 264)

Marketing Orders Proposed For All Canning Crops

Amendment of the Agricultural Marketing Agreement Act of 1937 so as to permit the Secretary of Agriculture to issue mandatory marketing orders on all fruits and vegetables—including those for canning—is proposed in S. 2283, to broaden the coverage of the present Act, which was introduced in the Senate on July 18 by Chairman Thomas (Okla.) of the Senate Committee on Agriculture.

With respect to canning, the bill would remove the specific exemption of fruits and vegetables for canning from the Orders section of the law. Thus, under the bill, the Secretary of Agriculture might issue orders that, among other things, would limit the production or processing of any canned fruit or vegetable; allot the amount of any such commodity by grade, size, variety, maturity or quality that any canner might purchase from his producers; and allot the amount of any commodity by *(Please turn to page 263)*

House Rejects Brannan Plan 'Trial Run,' Votes Repeal Of Aiken Act, Favors Extending Present Price Supports

The House on July 21 refused to approve the Administration's request for a "trial run" on the Brannan production-payment plan. Instead, it voted to repeal the Aiken Act, scheduled to become operative next January 1, and to extend presently-effective price supports. The Senate Committee on Agriculture had voted earlier in the week to table a measure to allow a Brannan plan experiment on hogs.

The House rejected an Administration compromise on the Pace bill, H.R. 5345, and then adopted the language of the Gore bill, extending the present farm program for a year, as a substitute. This was approved by a vote of 383 to 25.

The measure will be referred to the Senate Committee on Agriculture, which last year supported Senator Aiken in pushing enactment of the flexible sliding-scale price support formula known as the Aiken Act. Therefore, no action on the House bill is foreseen.

This week's action produces an apparent deadlock on agricultural legislation in which both houses agree only on refusing to implement the production-payment, supply-and-demand features of the Brannan plan.

Canners May Be Interviewed In Government Business Study

Canners may be invited to participate in an on-the-spot fact-finding study of economic conditions throughout the country to be undertaken by the U. S. Department of Commerce. The nation-wide study will be set in motion in Boston on July 25.

In announcing the study, Secretary of Commerce Charles Sawyer announced its threefold purpose:

"(1) To obtain first-hand and up-to-the-minute information on business and employment; (2) to explore with responsible business and civic leaders practical plans for maintaining industrial production and employment at high levels; and (3) to carry back to

Washington recommendations for practicable Government action."

Meetings of business leaders sponsored by the Commerce Department will be concerned with the problems of all manufacturing industries and the distributive trades as well. H. B. McCoy, director of the Office of Domestic Commerce, which publishes the "Industry Report on Canned Fruits and Vegetables," will visit midwestern areas and meet with businessmen in Evansville, Ind., St. Louis, Mo., St. Paul and Minneapolis, Minn.

PUBLICITY

Canned Foods' General Appeal Lauded in *House Beautiful*

The year-'round availability and ready accessibility of canned foods on the pantry shelf, as well as their seasoning to satisfy the average taste, are lauded in an article in the July issue of *House Beautiful*, which is devoted largely to describing the way of life of a prominent family in Carmel, Calif.

In an article entitled "Cooking is *Not* Work," Virginia Stanton, a member of that family, starts out:

"I should say, right at the start, that I don't like to work, and that I do like wonderful food. Yet I know nothing duller than being that 'little woman slaving over a hot stove.' Especially when it isn't necessary. For really superior food can be achieved without a lot of very dull drudgery.

"It requires a different approach from that most women use. It takes four things: an open mind, a pantry well stocked with the right cans and seasonings, a big freezer so you can do quantity buying, and some general knowledge of the basic principles of the world's best cookery. Any of these without the others is not enough."

In telling of simplifying food preparation, Mrs. Stanton says:

"It's amazing how many short cuts you can find, particularly if you haven't any mental road blocks about canned foods. I haven't, so I use the lazy woman's trick of opening a can. Only I do more than open it. I dress it up, using the contents as my raw ingredients, and going on to add the seasonings and other ingredients called for in the fancy recipe. Most people seem to think opening a can means you have to eat it the way it comes out. That's a fallacy, for the canners can't go very far with preseasoning. There are too many kinds of palates in America, ranging from uneducated up through the badly educated, to the truly experienced and sophisticated. The canners couldn't possibly make one recipe appeal to all of those tastes. So they play it safe and use formulas that are on the under-seasoned, pallid side. Which is fine for people like me, for I can go on from there and dress up canned ingredients with Old World cookery tricks so that no one can recognize their lowly origins."

Mrs. Stanton then gives examples of appetizing and time-saving recipes using canned foods, and describes the especially-built can room where "all those cases of cans" are stored, adding, "It's like always having a lot of money in the bank. Makes you free as a bird, which is fun."

In addition to the articles by Mrs. Stanton, the magazine contains "Pantry Shelf News" by Julie Polshek, which lists numerous canned foods suitable for the smörgasbord.

House Beautiful describes itself as "the magazine dedicated to the business of better living." The magazine's circulation is over 509,000.

STATISTICS

Stocks and Shipments Of Canned Vegetables

Canners' stocks and shipments of canned corn, pumpkin and squash, chili sauce and catsup have been compiled by the Association's Division of Statistics.

Canned Corn Stocks and Shipments

	1947-48	1948-49 (*actual cases*)
Carryover, Aug. 1	272,039	194,469
Pack	27,571,861	34,410,040
Total supply	27,843,900	34,604,509
Stocks, July 1	559,886	4,955,886
Shipments during June	605,109	1,288,666
Shipments, Aug. 1 to July 1	27,284,014	29,648,623

On the basis of 24/2's, canner stocks July 1, 1949, amounted to 4,562,000 cases compared with 536,000 cases July 1, 1948.

July 1, 1949, canner stocks of canned corn consisted of 686,417 actual cases of cream-style white corn; 1,955,216 actual cases of cream-style golden corn; 2,184,065 actual cases of whole-kernel golden corn; and 130,188 actual cases of whole-kernel white corn. This compares with canner stocks July 1, 1948, of 17,568 actual cases of cream-style white corn; 306,641 actual cases of cream-style golden corn; 226,365 actual cases of whole-kernel golden corn; and 9,312 actual cases of whole-kernel white corn.

Canned Pumpkin and Squash Stocks

	1947-48	1948-49 (*actual cases*)
Carryover, July 1	284,586	1,399,845
Pack	2,464,836	1,449,540
Supply	2,749,422	2,849,385
Stocks, July 1	1,399,845	1,046,502
Shipments, April 1 to July 1	114,325	102,119
Shipments, July 1 to July 1	1,349,577	1,802,883

Chili Sauce Stocks and Shipments

	1948-49 (*actual cases*)
Carryover, July 1	748,700
Pack	2,544,020
Total supply	3,292,720
Stocks, July 1	1,037,059
Shipments, April 1 to July 1	728,536
Shipments, July 1 to July 1	2,255,661

Catsup Stocks and Shipments

	1947-48	1948-49 (*actual cases*)
Carryover, July 1	649,715	3,572,534
Pack	20,661,067	16,897,211
Total supply	21,310,782	20,469,745
Stocks, July 1	3,572,534	6,346,425
Shipments, April 1 to July 1	2,553,942	2,399,631
Shipments, July 1 to July 1	17,738,248	14,123,320

Consumption of Canned Meats Reported Up Slightly in 1948

About 10 percent more canned meats were consumed in 1948 than in 1947, according to the BAE publication "The Livestock and Meat Situation." This report is based on Federally-inspected production and on stocks and foreign trade reports. For the third year in a row, apparent consumption exceeded one billion pounds. These figures are in terms of net product weight, which are larger than the meat content alone.

In the report, the Bureau of Agricultural Economics stated:

"Capacity for producing canned meats was expanded rapidly early in the war to fill special military and export needs. Consumption by the civilian population decreased, as most of the supplies were directed to military use or foreign supply programs. Less meat was canned after the war, but the production did not fall to prewar levels, and consumption by the civilian population rose greatly. Greater variety and an improved quality of canned product may have contributed to the enhanced consumer acceptance. Another factor is the high meat prices following the war, which caused many consumers to turn to canned products. Some canned products are relatively inexpensive; and for others that are as high as most meats per pound of contents, the size and moderate price of the sales unit of one can seems to be an attractive feature."

Crop and Weather Report

The following report is based on information from state associations and state "crop and weather reports" for the week ending July 16:

Maryland: Showers during the week provided much needed moisture for the small mid-season acreage of snap beans for canning. Corn is in very good condition except in the central Delmar peninsula and northeastern Maryland, where dry weather has pro-

duced very poor quality on the early corn with some fields a failure. Showers benefited the tomato crop in the dry area of the central Delmar peninsula.

New York: Rainfall was extremely variable in amount but generally light. Tomatoes retarded by drought are making good growth. Beets, starting late, are growing well. The later snap beans are making excellent progress. Sweet corn is growing rapidly.

Pennsylvania: Rainfall was twice that of normal, replenishing soil reserves and favoring rapid plant growth in most sections. Tomatoes are making good growth. Sweet corn prospects are improved.

Indiana: Weather was hot and humid most of the week. Progress of tomatoes is very good to excellent, although a period of moderately dry weather would be beneficial for ripening fruit.

Michigan: Beans, corn and tomatoes are reported doing well.

Arkansas: A good tomato crop is in prospect in northwest Arkansas. Canneries will start operating about August 1.

Oklahoma: Showers were helpful but more moisture is needed. Tomatoes were being canned, but cucumber and snap bean harvest showed a seasonal decline.

Utah: Despite very little rain since June 1, irrigation water is plentiful and truck crops are in good to excellent condition.

MEETINGS

N.C.A. Represented at Meeting

The N.C.A. was represented at the 1949 Olive Technical Conference, held in Santa Barbara, Calif., June 29-30, by Ed Doyle of the Western Branch Laboratories, whose presentation on sanitation was considered an important contribution to the meeting.

Mr. Doyle's paper was illustrated by 72 slides pointing out various aspects of sanitation. His subject was "How Much Improvement Has Been Made in Sanitation in the Olive Plants —A Comparison between 1945-46 and 1948-49." He also read a paper on "Lighting for Olive Canning" which had been prepared by H. K. Wilder, also of the San Francisco office.

Texas Canners Association

The annual convention of the Texas Canners Association will be held at the Plaza Hotel, San Antonio, September 29-30 and October 1, it has been announced by John E. Frost, president of the association.

Study of Monopoly Power

(Concluded from page 261)

They show that the three largest retailers of groceries did 22 percent of the total business, the three largest meat-packing concerns had 43 percent of the total, the three largest makers of cheese had 63 percent of the business, the three largest flour milling concerns did 38 per cent of the business, and the three largest fruit canners had 30 percent. We definitely need an up-to-date breakdown of figures of this sort.

"(2) Marketing charges in the food industries are holding up while prices are going down. At last July's prices, the annual retail cost of filling the food 'market basket' for a family of three average consumers was $708. At prices in April of this year, the comparable figure was $647, a reduction of $61. Yet in April the entire difference in cost to consumers was coming out of the farmer's price—none out of middlemen's margins.

"(3) In certain price-making processes, particularly the 'open-price' practices prevalent in Wisconsin cheese, New York and Boston poultry and eggs, and Chicago butter, by way of example, sales are priced in terms of a premium or discount on the market quotation which may be established by only a small fraction of total trading. It would be desirable to learn what needs to be done to safeguard against price manipulation as a result of these pricing practices.

"(4) Pulpwood prices . . .

"(5) The limited number of concerns producing or mining phosphate rock, potash, and nitrogen offer possibilities for limiting competition in the fertilizer industry, especially in view of increasing demands by farmers for fertilizer.

"(6) In the field of transportation there are a number of points which require attention. It has been called to my attention, for example, that lessees of buildings owned by railway companies are required to use the railways as well, and that railway control of fruit auction markets limits use of trucks at those markets.

"It would be well, in my opinion, for the Congress to review the present regulation of transportation. The states and the Federal government have enacted laws pursuant to which railroads, water carriers, motor carriers, freight forwarders and pipelines are regulated. The Congress has declared that as a matter of national transportation policy each of these agencies of transportation should be regulated in a manner designed to recognize and preserve the inherent advantages of each, to promote efficient service, and to foster sound economic conditions in transportation and among the several carriers. By and large, regulation is serving these ends, but there is danger that the transportation system may become inflexible to the point of being monopolistic.

"These observations cover a great many different points and yet reflect only a small part of agriculture's interest in the concentration of economic power. I have not even attempted to review the information that has been brought out in the tobacco, meat-packing, and farm machinery antitrust suits.

"A complete study of the problem would really involve analyzing the entire economic system. However, I believe that we can agree upon those economic areas which seem to be most concentrated and therefore in need of first and greatest attention."

The Secretary prefaced these remarks by stating that "the interests of both the farmer and the general public require eternal vigilance against monopolistic practices and other improper and undesirable uses of concentrated economic power."

Secretary Brannan cited the Agricultural Marketing Agreement Act of 1937, as amended, among existing "safeguards and additions to farmers' economic power."

Marketing Orders

(Concluded from page 261)

grade, size, type, variety, maturity or quality which a canner might market.

As is the case of the present law, these restrictions and a number of others could be placed in effect upon a determination of the Secretary of Agriculture that the terms of an order are approved or favored by two-thirds of the producers or by producers of two-thirds of the volume.

The measure was drafted in the Department of Agriculture and was transmitted to Congress as a recommendation of Secretary of Agriculture Brannan. Introduction of the bill had been expected ever since the Secretary outlined his proposed farm program at a joint meeting of the House and Senate Committees on Agriculture on April 7. At that time Secretary Brannan listed an extension of the Act to a greater number of commodities as part of his program.

In line with long-established Association policy, a request is being made to the Chairman of the Senate Committee on Agriculture for an opportunity for the views of the industry to be heard should the Committee decide to consider the bill.

PERSONNEL

Walters Retires from Libby

Clarence M. Walters, purchasing agent in charge of purchases of all divisions of Libby, McNeill & Libby, recently retired after 40 years' service with that firm.

Mr. Walters was not only known and respected for his services to Libby, but also for his leading and active part in affairs of the National Canners Association. From 1935 on, his services to N.C.A. were continuous and were manifold. He served two three-year terms as a Director and also was a member of the Administrative Council. At one time or another Mr. Walters filled a position on practically every one of the N.C.A. Committees and had a broad knowledge of the scope and variety of Association services. His contributions to the success of N.C.A. operations were universally respected.

INSPECTION

Meat Inspection Regulations

Notice of instructions proposed to be issued by the Production and Marketing Administration on inspection requirements concerning meats and meat products to be graded was published in the *Federal Register* of July 15. The purpose of the proposed instructions will be to specify the type of meat inspection system under which a plant must operate in order that its products will be eligible for Federal grading service under the regulations governing the grading and certification of meats, prepared meats, and meat products.

Transfer of FDA Activities

(Concluded from page 261)

Of the proposed FDA transfer, Mr. Ewing wrote:

"Again I find myself in disagreement with the Commission. In my opinion nothing would be gained and much would be lost in splintering this Bureau which has had a history of unified operations for more than 40 years. Such action would be a denial of the Commission's own concept of grouping Government agencies according to major purposes, which in this instance is the protection of the consumer.

"The results of a divided enforcement program would be duplication and confusion. Scientific and administrative personnel would be duplicated in separate establishments; laboratories would be duplicated in Washington and the field; a dual corps of inspectors would cover the same territory; two sets of import controls would be in effect; two units of legal counsel would be required. Confusion would follow—particularly in trade and business relationships and in relation to legal action and the courts. Already we have evidence of a similar kind of confusion in the regulation of advertising of food, drug and cosmetic products by the Federal Trade Commission.

"I feel strongly that it would not be in the public interest to transfer the Food and Drug Administration in whole or in part away from the Federal Security Agency—either to the Department of Agriculture on the one hand or to an independent United Medical Administration on the other. In transferring the Food and Drug Administration to this Agency in 1940, President Roosevelt said: 'The work of the Food and Drug Administration is unrelated to the basic functions of the Department of Agriculture and there is no other agency to which these functions more appropriately belong than to the Federal Security Agency.' I think this is still true.

"It seems to me equally self-evident that this Bureau—or a part of it—cannot operate successfully in a setting where the interest of producers and processors—as contrasted with consumers—is the paramount objective. Responsibility for devising ways and means to increase the production and marketing of agriculture products is unrelated and may even be contrary to the purposes of the Food, Drug and Cosmetic Act.

"Under the heading 'Public Health Service' I have commented on the proposed independent United Medical Administration. Should such an Administration be established, a specialized interest and professional leadership would control it and the consumer interest, which is the major concern of the Food and Drug Administration, might be neglected. Moreover, economic cheats, misbranding, slack-filled and deceptive packaging are not medical matters. The legal sanctions and enforcement procedures which are the core of food, drug, and cosmetic regulations are not the familiar techniques of those whose first concern is medicine.

"In my judgment, the Food and Drug Administration must remain a single unit. Its present independent position in this Agency permits greater opportunity to serve our citizens. The views of Commissioners Pollock and Rowe on pages 49-51 of the Commission's Report on Social Security support this conclusion forcibly and clearly. I am in complete accord with them."

1949 Canning Trade Almanac

The *1949 Canning Trade Almanac* has been issued by *The Canning Trade*, 20 S. Gay Street, Baltimore 2, Md. Copies are sold for $2.00 each.

The almanac contains statistics on canned food packs and other aspects of the industry, food laws and regulations, recommended can sizes and box dimensions, labeling requirements, guides to machinery and supplies, and other statistical and historical data of concern to the industry.

TABLE OF CONTENTS

PAGE

Congress

Marketing orders proposed for all canning crops 261
House rejects Brannan plan 'trial run,' votes repeal of Aiken Act, favors extending present price supports 261
Brannan recommends review of transportation regulation 261

Reorganization

Transfer of FDA activities opposed by Ewing, FSA head 261

Economic Study

Canners may be interviewed in Government business study 261

Publicity

Canned foods' general appeal lauded in *House Beautiful* 262

PAGE

Statistics

Stocks and shipments of canned vegetables 262
Consumption of canned meats reported up slightly in 1948 262
Crop and weather report 262

Meetings

N.C.A. represented at meeting 263
Texas Canners Association 263

Personnel

Walters retires from Libby 264

Inspection

Meat inspection regulations 264

Publication

1949 Canning Trade Almanac 264